2009 ANNUAL REPORT

ORGANIZATION
& STAFF
DEVELOPMENT

Learn.Develop.Renew

Manitoba

2009 ANNUAL REPORT

osd ORGANIZATION & STAFF DEVELOPMENT

Organization & Staff Development
Manitoba Civil Service Commission

Learn.Develop.Renew

Manitoba

Civil Service Commission

Office of the Commissioner
935 - 155 Carlton Street
Winnipeg, MB R3C 3H8

Honourable Rosann Wowchuk
Minister Responsible for the Organization
and Staff Development Agency
Civil Service Commission
103 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Ms. Wowchuk

I am pleased to submit, for your consideration, the 2009 Annual Report of Organization and Staff Development (OSD) as a Special Operating Agency.

The report covers the period April 1, 2008 to March 31, 2009. During this period, OSD continued to strive to fulfill its obligations as a self-sustaining operation and to achieve its service and financial objectives. OSD is making a valuable contribution to the renewal of Manitoba's Civil Service by leading the implementation of a government-wide Learning Policy, by orienting new employees to the core values and operations of the Manitoba Civil Service and by supporting the skill development of the public service with programs such as Essentials of Supervision, the Art and Craft of Policy, and the certificate in Public Sector Management.

.

Respectfully submitted,

Debra Woodgate

Debra Woodgate
Civil Service Commissioner
Chair of the Organization
and Staff Development Agency
Advisory Board

OSD Advisory Board as at March 31, 2009

Chair

Debra Woodgate
Commissioner
Manitoba Civil Service Commission

Agency Management

Anna Schmidt Beauchamp
Director
Organization and Staff Development
Manitoba Civil Service Commission

Members

Gisela Rempel
Assistant Deputy Minister
Science, Technology, Energy & Mines
Service Transformation Manitoba

Marcia Thomson
Assistant Deputy Minister
Health & Healthy Living
Manitoba Health

Rose Bear
Program Coordinator
Staffing & Diversity
Civil Service Commission

Vince Warden
Vice President & Chief Financial Officer
Finance & Administration
Manitoba Hydro

Guy Gordon
Executive Director
Science, Technology, Energy and Mines
Service Transformation Manitoba

Profile

Purpose

In 1970 the Manitoba Civil Service Commission created a branch to provide training workshops and advisory services that supported government goals in the area of people and organization development.

In 1994 Organization and Staff Development (OSD) became the third Special Operating Agency of the Manitoba Government. The Special Operating Agency framework emphasizes accountability and end results. This emphasis is consistent with the OSD tradition of putting the service user first and always striving to make a difference.

In 2007 OSD assumed responsibility for all employee development in government, other than that which is particular to one department or function. This shift in emphasis has required OSD to operate more as an integrated arm of the Civil Service Commission (the Commission), bringing all of its resources to bear on the government's need to keep and advance employees. OSD is the primary means government has to develop employees, to increase their value and their job satisfaction

OSD, on behalf of government and through the Commission:

1. designs and delivers courses to improve individual and organization effectiveness
2. provides the means for effective implementation of government human resource policies, and
3. guides employees and their managers in solving organization problems, improve service delivery, and realizing full human potential.

OSD services are available to central government, to individual departments, and to other organizations outside the Manitoba Civil Service.

The agency determines needs in three ways. It reviews government initiatives and statements of priority. It meets with central government to understand better what is wanted from the people who provide service. It reviews feedback on its services, and talks to clients to determine changes in their needs.

Commitment

OSD provides the training, consulting, and development opportunities that enable employees, individually and in groups, to deliver on the government's service commitments. OSD provides its services in a manner that reflects the sprit and intent of human resource policies and conveys to the service providers that they are as important as those who they serve.

OSD is committed to representing three principles in whatever the agency does.

1. The needs of those who use our service are our concern.

This means we act with the courage necessary to understand our service users and to provide them with real help for real problems.

2. We treat others as friends, no differently than we treat ourselves.

This means we strive to make every contact an experience that benefits our service users, makes them better off for knowing us and leaves them a little wiser.

3. Our work is important work.

This means we serve to the best of our ability. We respect the privilege of helping Manitobans and those who represent them.

Director's Comment

In 2008/09 OSD continued the process, begun in 2007/08, of realigning its work to link more closely with the Civil Service Commission's HR Renewal mandate. Responsibility for the delivery of the Commission's Leadership Development Initiative was transferred to OSD, and the Commission increased its direct budgetary support to OSD by 61.2% to a total of $524,700 in recognition of this added responsibility.

The well-received launch of the Manitoba Civil Service Learning Policy early in 2008/09 and the introduction of several new learning initiatives resulted in a renewed interest across government in employee learning and development. In 2008/09 the number of open workshops OSD delivered rose by 16%, with the average number of participants rising to 19, well above the break-even number of 13. The increase in the number of customized workshops delivered was a more modest 4% overall, but the increase in customized workshops delivered outside the city of Winnipeg was 80%.

Progress towards Goals and Objectives

OSD continues to fulfill its Business Plan commitments. In 2008/09 OSD continued to solidify the position of the agency as a relevant and valued supplier of consulting and training services. OSD achieved its goals and objectives and performance targets.

From 2008/09 Business Plan:

The primary goal for 2008/09 is to confirm and implement an operational model that fulfills the expectation that OSD is the authority for all common training in government.

OSD's objectives and action steps are to support the direction of the Commission and the intention of the Deputy Ministers Advisory Committee on Human Resources to improve human resource services by:

a. Confirming the governance model, to ensure all common training is consistent in content and message, is accessible, and is most effectively delivered;

   OSD redesigned its website and print catalogue in 2008/09 to better reflect its shift in mandate, and to clarify the processes by which departments could access learning and development opportunities.

   In addition to administering its own workshops, OSD increasingly provides course development, registration, and/or course delivery services on a cost-recovery basis to other departments for workshops of a corporate nature. In 2008/09 this included the development of a workshop for the "WISE on Family Violence" initiative in partnership with the department of Family Services and Housing, and a workshop for the "Workplaces in motion" initiative in partnership with the department of Health and Healthy Living.

b. Implementing a sustainable means of funding to deliver required development;

   In 2008/09 OSD reviewed its fee structure and rates of pay for trainers/consultants to ensure that it could sustain provision of a quality product while remaining affordable to departments. Recommended rate changes were incorporated into the 2009/10 business plan.

c. Finalizing the implementation of a corporate orientation process for all new employees;

   The Manitoba Civil Service Corporate Orientation was delivered 5 times in 2008/09 to a total of 232 new employees.

d. Refining and delivering programs in support of increasing leadership capacity, including the Women's Leadership Development Program, Leadership @ All Levels, and the Leadership Development Initiative;

   The Women's Leadership Program was delivered to a regional cohort of 18 women in Thompson Manitoba. A new Winnipeg-based intake was planned for 2009/10.

   Leadership @ All Levels was delivered to a cohort of 54 participants and their supervisors. L@AL was redesigned as a self-directed program that supports the Learning Policy for 2009/10.

   Two intakes of the Leadership Development Initiative added 70 new graduates of the Queens Executive Development program to a growing network of leaders.

   OSD also piloted the Art and Craft of Policy II in partnership with the Institute on Governance.

e. Defining and implementing the on-going model for the introduction of human resource policies and related information initiatives;

   OSD continued to offer corporate training to introduce managers to the Values and Ethics Guide, the Respectful Workplace Policy, and the Public Interest Disclosure Act. OSD's primary policy orientation focus in 2008/09 was the new Learning Policy.

f. Implementing the corporate Learning Policy as a means to encourage continuous employee learning and organization improvement;

Over 400 managers attended a formal launch of the Manitoba Civil Service Learning Policy on May 8, 2008. OSD consultants met with Executive Management Committees of all departments to promote the implementation of the policy. A cross-department network of Learning Champions was established, and training and support materials for managers and employees was developed and disseminated.

g. Launching the Essentials of Supervision (EOS) Certificate Program in partnership with the University of Winnipeg;

Essentials of Supervision (EOS) was launched in April 2008. Workshops completed towards this 10-day certificate program may be used for credit towards certificate programs offered by the University of Winnipeg. A graduation ceremony was planned for early 2009/10 to recognize employees who completed the EOS or the Office Professionals Certificate Program (OPCP).

h. Piloting the Public Sector Management (PSM) Certificate Program in partnership with the University of Manitoba;

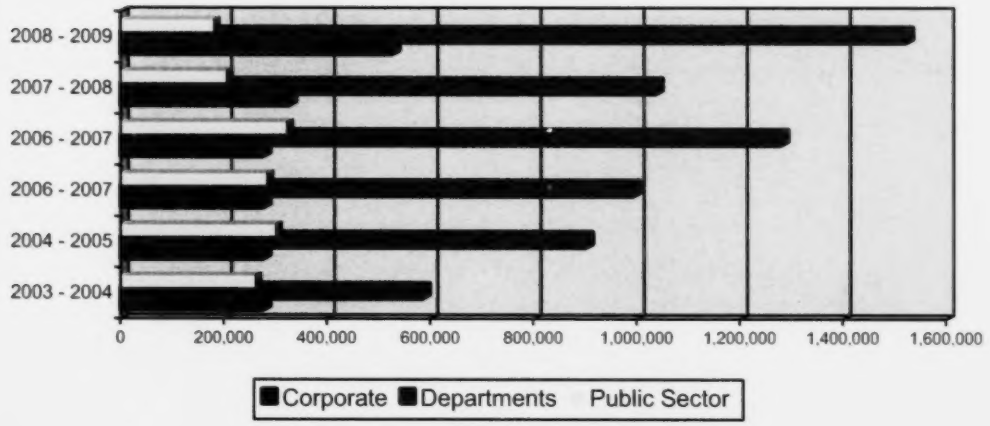
The successful pilot began with an orientation for the first cohort of 30 participants in April 2008. Twenty-six graduated, 2 withdrew, and 2 are finishing the program along with the second cohort. A second intake was planned to begin early in 2009/10.

i. Developing, in partnership with Service Transformation Manitoba, a corporate e-learning program.

OSD received approval to enter into a 5-year contract with Operitel, Inc. to implement a Learning Management System which will support the development of a corporate eLearning program for the Manitoba Civil Service. OSD developed the plan for this initiative throughout 2008/09 in partnership with Service Transformation Manitoba and ICT Services, both divisions of the department of Science, Technology, Energy and Mines. Phase one of the implementation process was set to begin in the first quarter of 2009/10.

Comparison of Revenue by Stream

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Corporate *	274,700	274,700	274,700	274,700	324,700	524,700
Departments **	583,597	899,967	991,612	1,278,414	1,035,608	1,520,588
Public Sector ***	259,249	299,154	282,249	320,649	203,323	178,145



* Training and Consulting fully or partially funded by the Civil Service Commission

** Training and Consulting fully or partially paid for by Government of Manitoba departments or Special Operating Agencies

*** Training and consulting fully paid for by the Government of Canada, Crown Corporations, and Regional Health Authorities, Foundations and all other privately owned companies or businesses.

Performance Framework - Part 1

Table 1 – Open Training

Open training are those workshops scheduled in the OSD Learning and Development Guide.

"Workshops added" are those added in response to high demand of any regularly scheduled workshops.

	Winnipeg Workshops	*Workshops Added*	*Rural Workshops*	*Total*	*Participants*	*Average per class*
2008/09	133	30	7	170	3,164	19
2007/08	118	10	19	147	2627	18
2006/07	99	7	20	126	2150	17
2005/06	108	9	24	141	2432	17
2004/05	124	5	16	145	2057	14

Table 2 – Customized Training

Customized Training is consulting, training or administrative services provided to a specific service user and their organization.

	Winnipeg Workshops	*Rural Workshops*	*Total*	*Participants*	*Average per class*
2008/09	270	77	347	4,705	14
2007/08	291	43	334	5062	15
2006/07	453	104	557	6587	12
2005/06	264	50	314	4038	13
2004/05	296	40	336	4522	13

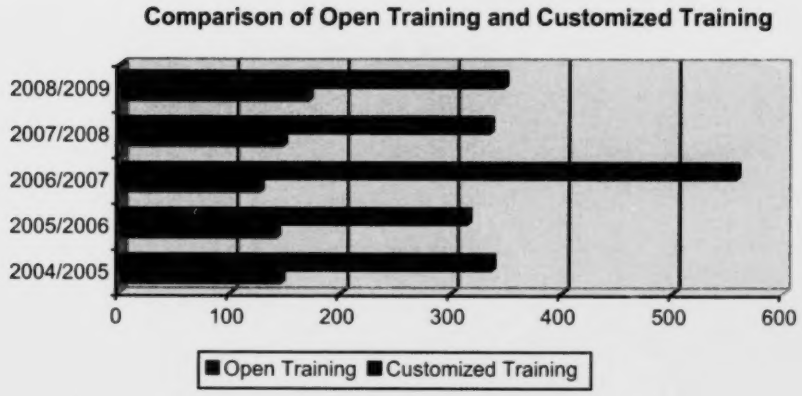
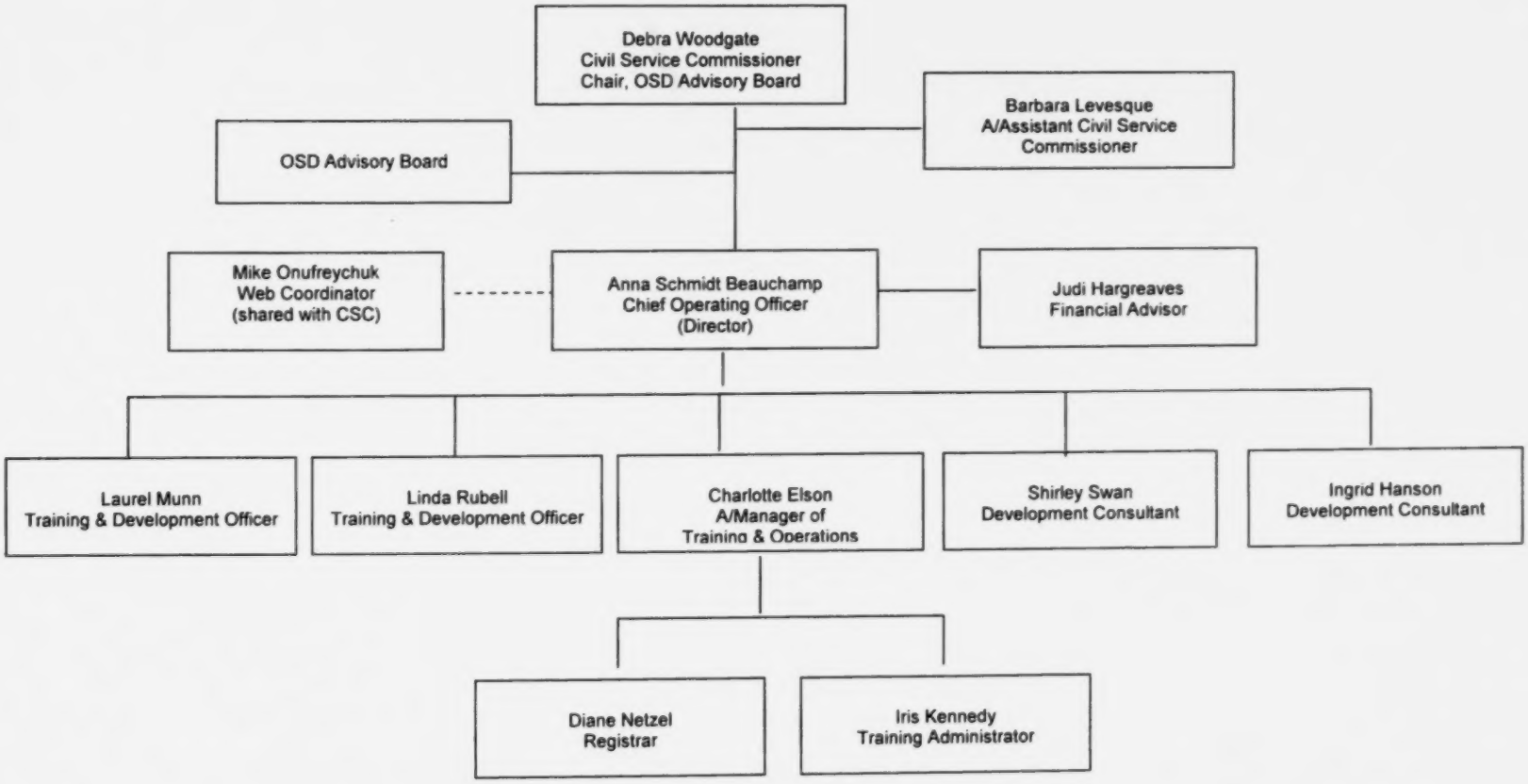


Table 3 – Participation in specialized Civil Service Leadership Development programs

In 2008/09, responsibility for learning and development programming related to civil service renewal was transferred to OSD. Prior to 2008/09, this activity fell under the umbrella of Employee Development in sub-appropriation 17-1E.

	Leadership Development Initiative (LDI)	Women's Leadership Program (WLP)	Certificate in Public Sector Management (CPSM)**	Leadership @ All Levels (L@AL)***	Total
2008/09	70	18	27	54	168
2007/08	60	28	n/a	n/a	88
2006/07	90*	30	n/a	n/a	120
2005/06	56	n/a	n/a	n/a	56
2004/05	29	n/a	n/a	n/a	29

OSD Reporting Relationships as at March 31, 2009



ORGANIZATION AND STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Financial Statements

For the year ended March 31, 2009

Contents

Management's Responsibility for Financial Reporting	2
Auditors' Report	3
Financial Statements	
Balance Sheet	4
Statement of Operations and Retained Earnings	5
Statement of Cash Flows	6
Notes to Financial Statements	7

Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of the management of Organization and Staff Development and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available to May 21, 2009.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The responsibility of the Auditor General is to express an independent opinion on whether the financial statements of Organization and Staff Development are fairly represented in accordance with Canadian generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

Organization and Staff Development

Anna Schmidt, Director
May 21, 2009

ORGANIZATION AND STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY

Balance Sheet

March 31	2009	2008
	(000's)	
Assets		
Current Assets		
Cash and bank (Note 5)	$ 203	$ 39
Short-term investments - Province of Manitoba	460	640
Accounts receivable	222	181
Receivable from Province of Manitoba	-	39
Inventories	24	14
	909	913
Long term investment (Note 6)	39	-
Capital assets (Note 7)	36	36
	75	36
	$ 984	$ 949
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 320	$ 119
Severance liability (Note 8)	58	52
	378	171
Equity		
Retained earnings	606	778
	$ 984	$ 949

The accompanying notes are an integral part of these financial statements.

ORGANIZATION AND STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
Statement of Operations and Retained Earnings

For the year ended March 31

(000's)

	2009 Actual	2008 Actual	Variance	Budget	Variance
Revenue					
Training and consulting	$ 2,223	$ 1,564	$ 659	$ 1,714	$ 509
Interest	13	23	(10)	8	5
	2,236	1,587	649	1,722	514
Expenses					
Professional fees	1,087	659	428	803	284
Salaries and benefits	746	559	187	738	8
Food and beverages	137	56	81	77	60
Accommodations	137	52	85	55	82
Books and course materials	83	64	19	60	23
Travel	45	19	26	15	30
Rentals	37	8	29	9	28
Occupancy costs	29	29	-	30	(1)
Desk top management	29	22	7	19	10
Communications	20	14	6	14	6
Office supplies	17	24	(7)	20	(3)
Professional development	15	7	8	5	10
Other	10	4	6	5	5
Marketing	9	15	(6)	5	4
Amortization	7	7	-	7	-
	2,408	1,539	869	1,862	546
Net income (loss) and comprehensive income (loss) for the year	(172)	48	$ (220)	$ (140)	$ (32)
Retained earnings, beginning of year	778	730			
Retained earnings, end of year	$ 606	$ 778			

The accompanying notes are an integral part of these financial statements.

ORGANIZATION AND STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
Statement of Cash Flows

For the year ended March 31	2009	2008
	(000's)	
Cash Flows from Operating Activities		
Net income (loss) and comprehensive income (loss) for the year	$ (172)	$ 48
Adjustment for		
Amortization of capital assets	7	7
	(165)	55
Changes in non-cash working capital balances		
Accounts receivable	(2)	63
Inventories	(10)	2
Accounts payable and accrued liabilities	201	20
Severance liability	6	5
	195	90
	30	145
Cash Flows from Investing Activities		
Purchase of capital assets	(7)	(4)
Increase in cash and cash equivalents	23	141
Cash and cash equivalents, beginning of year	679	538
Cash and cash equivalents, end of year	$ 702	$ 679
Represented by		
Cash and bank	$ 203	$ 39
Short-term investments	460	640
Long term investment	39	-
	$ 702	$ 679

The accompanying notes are an integral part of these financial statements.

ORGANIZATION AND STAFF DEVELOPMENT - AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
Notes to Financial Statements

March 31, 2009

(000's)

1. Nature of Organization

Effective April 1, 1994, Organization and Staff Development of the Civil Service Commission was designated by regulation as a Special Operating Agency under The Special Operating Agencies Financing Authority Act and operates under a charter approved by the Lieutenant Governor in Council. Its mandate is to provide consulting and training services to support the implementation of the government's human resource policies and priorities.

The Agency is financed through the Special Operating Agencies Financing Authority. The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister responsible for the Civil Service Commission assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

Organization and Staff Development continues to be part of the Civil Service Commission under the general direction of the Commissioner and ultimately the policy direction of the Minister responsible for The Civil Service Act.

Organization and Staff Development remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

Organization and Staff Development is economically dependant on the Province of Manitoba. Currently, the Agency derives most of its revenue from the Province of Manitoba and all of its capital financing requirements through the Financing Authority.

2. New Accounting Policies

Effective April 1, 2008 the Agency adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

Section 1535 Capital Disclosures

Section 1535 establishes standards for disclosure information about an entity's capital and how it is managed. These standards require an entity to disclose its objectives, policies and processes for managing capital, a summary of quantitative data about what it manages as capital and whether it complied with any externally imposed capital requirements to which it is subject and, if not, the consequences of such non-compliance.

2. New Accounting Policies (continued)

Section 3862 Financial Instruments – Disclosures

Section 3862 modifies the disclosure requirements for financial instruments that were included in Section 3861, Financial Instruments – Disclosure and Presentation. The new standards require an entity to provide disclosures in its financial statements that enable users to evaluate the significance of financial instruments on its financial position and performance, the nature and extent of the risks to which it is exposed during the period and at the balance sheet date, and how those risks are managed.

Section 3863 Financial Instruments – Presentation

Section 3863 carries forward the presentation requirements of Section 3861, Financial Instruments – Disclosure and Presentation, unchanged.

The above-noted new standards have no impact on the recognition, measurement or presentation of financial instruments in the Agency's yearend financial statements.

Section 3031 Inventories

Section 3031 Inventories replaces Section 3030 Inventories. It provides more guidance on the measurement and disclosure requirements for inventories. The adoption of Section 3031 did not have an impact on the recognition, measurement or presentation of inventory in the Agency's yearend financial statements.

3. Significant Accounting Policies

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Revenue Recognition

Training and consulting revenue is recorded on an accrual basis by specific project.

Use of Estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Inventories

Inventories are valued at the lower of cost and net realizable value.

3. Significant Accounting Policies (continued)

Capital Assets

Rates of amortization applied to write off the cost of capital assets over their estimated life are as follows:

Office equipment	20% declining balance
Furniture and fixtures	20% declining balance
Computer equipment	20% straight-line

In the year of acquisition, amortization is calculated at one half of the rate indicated above.

Capital Disclosures

The Agency's capital consists of retained earnings provided from operations. The Agency's capital management policy is to maintain sufficient capital to meet its objectives through its retained earnings by managing transfers of surplus funds to the Province of Manitoba; meet short-term capital needs with working capital advances from the Province of Manitoba; and meet long-term capital needs through long-term debt with the Province of Manitoba. There were no changes in the Agency's approach to capital management during the period.

The Agency is not subject to externally imposed capital requirements.

New Accounting Pronouncements

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the Agency, are as follows:

Financial Statement Concepts

CICA Handbook Section 1000, Financial Statement Concepts has been amended to focus on the capitalization of costs that truly meet the definition of an asset and de-emphasizes the matching principle.

The revised requirements are effective for annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The Agency is currently evaluating the impact of the adoption of this change on the disclosure within its financial statements.

International Financial Reporting Standards

The AcSB plans to converge Canadian GAAP with International Financial Reporting Standards ("IFRS") over a transition period expected to end in 2011. The impact of the transition to IFRS on the Agency's financial statements has yet to be determined.

4. Financial Instruments and Financial Risk Management

Financial assets and liabilities are initially recorded at fair value. Measurement in subsequent periods depends on the financial instrument's classification. Financial instruments are classified into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost. The financial assets and liabilities of the Agency are classified and measured as follows:

Financial Asset/Liability	Category	Subsequent Measurement
Cash and bank	Held for trading	Fair value
Short term investments	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Long term investment	Held for trading	Fair value
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Amortized cost is determined using the effective interest rate method.

Gains and losses on financial instruments subsequently measured at amortized cost are recognized in the statement of earnings and retained earnings in the period the gain or loss occurs. Changes in fair value on financial instruments classified as held for trading are recognized in the statement of earnings and retained earnings for the current period. Changes in fair value on financial instruments classified as available for sale would be recorded in other comprehensive income until realized, at which time they recorded in the statement of earnings and retained earnings.

Fair Value of Financial Instruments

The fair values accounts receivable, and accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity.

Financial Risk Management - Overview

The Agency has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; market risk; interest risk; and foreign currency risk.

March 31, 2009

(000's)

4. Financial Instruments and Financial Risk Management (continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Agency to credit risk consist principally of cash and term deposits and accounts receivable.

The maximum exposure of the Agency to credit risk at March 31, 2009 is:

Cash and bank	$	203
Short-term investments - Province of Manitoba		460
Accounts receivable		222
Long term investment		39
	$	924

Cash and bank, short-term investments and long term investment: The Agency is not exposed to significant credit risk as the cash and term deposits are primarily held by the Minister of Finance.

Accounts receivable: The Agency is not exposed to significant credit risk as the majority of the receivables are due from other reliable organizations and payment in full is typically collected when it is due. The Agency establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

Management has determined that no allowance for doubtful accounts is required as at March 31, 2009.

Liquidity Risk

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations as they come due.

The Agency manages liquidity risk by maintaining adequate cash balances and by review from the Province of Manitoba to ensure adequate funding will be received to meet the obligations.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Agency's income or the fair values of its financial instruments. The significant market risks the Agency is exposed to are interest rate risk and foreign currency risk.

4. Financial Instruments and Financial Risk Management (continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to short-term investments.

The interest rate risk on short-term investments is considered to be low because of their short-term nature.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.

5. Working Capital

The Agency has an authorized line of working capital advances of $120 which was unused and available at March 31, 2009.

6. Long Term Investment

The Province of Manitoba accepted responsibility for the vacation entitlements earned by the employees of the Agency prior to its designation as a Special Operating Agency, and the severance pay benefits accumulated to March 31, 1998 for certain of the Agency's employees. Accordingly, the Agency recorded a receivable of $39 from the Province of Manitoba for these accumulated benefits. Effective March 31, 2009 the Province of Manitoba paid the receivable balances related to the funding for these liabilities and has placed the amount of $39 into an interest bearing trust account to be held on the Agency's behalf until the cash is required to discharge the related liabilities.

7. Capital Assets

	2009			2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office equipment	$ 6	$ 3	$ 3	$ 6	$ 3	$ 3
Furniture and fixtures	50	24	26	50	19	31
Computer equipment	20	13	7	14	12	2
	$ 76	$ 40	$ 36	$ 70	$ 34	$ 36

March 31, 2009

(000's)

8. Severance Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Agency's actuarially determined net liability for accounting purposes as at March 31, 2009 was $58 (2008 - $52). Commencing in the 2006 fiscal year the actuarial gain of $15 is being amortized over the 15 year expected average remaining service life of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2005 valuation, and in the determination of the March 31, 2009 present value of the accrued severance benefit obligation were:

Annual rate of return	
inflation component	2.50%
real rate of return	4.00%
	6.50%
Annual salary increase rates	
annual productivity increase	0.75%
annual general salary increase	3.25%
	4.00%

9. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The Agency enters into transactions with these entities in the normal course of business.

10. Contingencies

A potential claim has been filed against the Agency for breach of an agreement. In the opinion of management and legal counsel, the amount of the potential loss can not be estimated, and the outcome of the claim is not determinable. Should any loss result from the resolution of this claim, such loss will be charged to operations in the year of resolution.

11. Pension Benefits

Employees of Organization and Staff Development are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act ("CSSA"), administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including Organization and Staff Development, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province of Manitoba the pension liability for its employees. Commencing April 1, 2001, the Agency was required to pay to the Province of Manitoba an amount equal to its employees' current pension contributions. The amount paid for 2009 was $25 ($16 in 2008). Under this agreement, the Agency has no further pension liability.

Phone: (204) 945-2276
Fax: (204) 948-2165
Email: osd@gov.mb.ca

www.gov.mb.ca/csc/osd

Learn.Develop.Renew